Court No.2

W.P. No. 367 (MB) of 2003

M/s Murliwala Agro Tech Ltd. …….. Petitioner

Vs.

State of Uttaranchal and others …….. Respondents

Hon. P.C. Verma, A.C.J.
Hon. Irshad Hussain, J.

Heard Sri Shard Sharma, learned counsel for the petitioner and learned Standing Counsel.

It is settled law as that the Government contracts should be granted either by public auction or by inviting public tenders. If the procedure so adopted do not yield any result, then the recourse for private negotiations may be adopted amongst the tenders or persons participating in auction. Learned counsel for the petitioner placed reliance on law laid down by the Apex Court in the case of Ramana Daya Ram Shetty Vs. International Airport Authority of India and others (AIR 1979 SC 1628) and Ram and shyam Company Vs. State of Haryana and others (AIR 1985 SC 1147).

Here in the present case, initially notice inviting tenders were obtained. But without assigning reasons, the Government withdrew the notice and have taken step for grant of contract by private negotiations. Therefore, step taken by the Government for settlement of contract by private negations is not justified. The Government is restrained from proceeding with the grant of contract by private negotiations and Government may proceed to grant contract either by holding public auction or by inviting tenders.

The petitions is disposed of accordingly.

(Irshad Hussain, J.) **(P.C. Verma, A.C. J.)**

Dt. 05.05.2003
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